

Enforcement

Granting permanent Normal Trade Relations (PNTR) for China will give the United States broad new rights and strong mechanisms to enforce them. At the same time, the Administration has already begun to identify and put into place tools that will bolster our existing monitoring and enforcement mechanisms.

THE U.S.-CHINA WTO ACCESSION DEAL IS FAR-REACHING, DETAILED, AND BINDING.

China's accession to the WTO will lock in detailed commitments in virtually every sector, including industrial goods, services, and agriculture. The Agreement ensures that American workers and companies are protected from practices that injure U.S. industries, such as dumping and import surges, and addresses non-tariff barriers like the lack of trading and distribution rights. In this Agreement, China made unilateral, one-way concessions. The United States would simply maintain the market access policies we already apply to China by granting it PNTR. China's broad commitments will be subject to enforcement by every WTO member through binding WTO dispute settlement.

CHINA'S COMMITMENTS WILL BE ENFORCEABLE THROUGH WTO DISPUTE SETTLEMENT FOR THE FIRST TIME.

In no previous trade agreement has China agreed to subject its decisions to impartial review, such as that available at the WTO. If China loses a WTO dispute, it will have to change the offending practice, provide compensation, or be subject to denial of access to our market in an amount proportional to the harm it causes. The U.S. has been the most frequent user of the WTO dispute settlement mechanism, obtaining favorable results so far on 23 of the 25 complaints that we have initiated and that have been acted upon.

THE UNITED STATES MAINTAINS THE RIGHT TO USE THE FULL RANGE OF AMERICAN TRADE LAWS.

These include Special 301, Section 301, Section 201, and our antidumping laws, all of which continue to be effectively used to advance U.S. interests in a WTO-consistent manner.

THE UNITED STATES WILL GAIN NEW LEVERAGE TO ENSURE FAIR TRADE AND TO PROTECT THE U.S. AGRICULTURAL AND MANUFACTURING BASE FROM IMPORT SURGES, UNFAIR PRICING, AND ABUSIVE INVESTMENT PRACTICES.

No agreement on WTO accession has ever contained stronger measures to bolster guarantees of fair trade. This Agreement addresses these concerns through:

Strong Anti-Dumping Protections: The Agreement guarantees our right to use the special antidumping methodology we apply to non-market economies for 15 years after China's accession to the WTO.

A China-Specific Safeguard: For the first 12 years—in addition to the existing global safeguard provisions—China has also agreed to a country-specific safeguard that is stronger and more targeted than that provided under our current Section 201 law.

Prohibitions on Practices That Can Cost American Jobs and Technology: This Agreement will make it significantly easier for American companies to export to China from the United States, rather than having to establish operations there to sell in China. In addition, U.S. companies will no longer be required to transfer their technology to Chinese companies. This will better protect U.S. competitiveness and the results of U.S. research and development. China will also lift export and domestic content requirements, as well as rules that require

the balancing of exports and imports. China also will not condition import licenses or investment approval on performance requirements.

THE U.S. WILL STRENGTHEN ITS ENFORCEMENT CAPABILITIES THROUGH THE MULTILATERAL NATURE OF THE WTO.

The accession will result in a multilateral review mechanism to monitor closely China's implementation of all its commitments. As these commitments come into effect, China will be subject to enforcement by all 136 WTO members, which diminishes significantly China's ability to play its trading partners off against one another. In all previous disputes over Chinese compliance with agreements, the United States has had to act alone. With China in the WTO, we will be able to work with 135 other members, many of whom will be concerned about the same issues we raise, and all of whom will have the legal right to challenge China's implementation practices and seek redress.

THE SPECIFICITY OF CHINA'S COMMITMENTS WILL HELP ENSURE THAT CHINA COMPLIES.

Our experience demonstrates that agreements with China are enforced most satisfactorily when obligations are concrete, specific, and open to monitoring. Therefore, our bilateral Agreement includes highly specific commitments in all areas—including industrial goods, services, agriculture, and rules—clear timetables for implementation, and firm end-dates for full compliance. These will allow us to carefully monitor China's compliance and present clear evidence of any failure to comply.

THE UNITED STATES WILL MONITOR VIGILANTLY AND ENFORCE AGGRESSIVELY.

We are already preparing for an increased monitoring and enforcement effort through President Clinton's request for \$22 million in new enforcement and compliance resources for USTR, the Commerce Department, USDA, and the State Department. The President is requesting resources for the largest monitoring and enforcement effort for any trade agreement ever, covering China's obligations in the WTO and strong enforcement of our trade laws.

THE UNITED STATES WILL MAINTAIN STRONG EXISTING LAWS.

Nothing in this Agreement undermines our commitment and ability to continue to block imports of goods made with prison labor, to maintain our export control policies, or to withdraw benefits including NTR in a national security emergency.

REFUSAL TO PASS PNTR WOULD PUT AMERICAN FARMERS, MANUFACTURERS, AND WORKERS AT A DISADVANTAGE.

The United States must grant China permanent NTR or lose the full range of market access benefits that we negotiated, including rights to enforce China's commitments through the WTO dispute settlement process and special protections to shield American workers from unfair import surges from China. Failure to pass PNTR would only bolster our competitors in Asia, Australia, and Europe.

WILLIAM M. DALEY, U.S. SECRETARY OF COMMERCE:

"This is a deal that is good for our economy and also includes strong protection for our workers. No agreement on allowing a nation to join the WTO has ever included stronger measures against unfair trade. There are safeguards to stop import surges in particular industries."

CHARLENE BARSHEFSKY, U.S. TRADE REPRESENTATIVE:

"In no previous agreement has China agreed to subject its decisions to impartial review, judgment and ultimately imposition of sanctions if necessary... We are already preparing for... the largest monitoring and enforcement effort for any agreement ever, covering China's obligations in the WTO and also import administration issues such as dumping and countervailing duties."
